



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE
713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

January 20, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RESOLUTION AND NOTICE OF INTENTION TO AUCTION
COUNTY SURPLUS REAL PROPERTY
300 ROSECRANS AVENUE, COMPTON
(SECOND DISTRICT) (4 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the County has no present or future need for the property located in the City of Compton at 300 Rosecrans Avenue, as shown on the attached map and legally described in Exhibit A attached to the Resolution and Notice of Intention, and adopt the Resolution setting a date for the public auction.
2. Find that the proposed sale of the surplus real property is categorically exempt from the California Environmental Quality Act (CEQA).
3. Instruct the Executive Officer/Clerk of the Board to cause publication of the Resolution and Notice of Intention in accordance with Section 25528 of the Government Code and set a date for public auction.

IT IS RECOMMENDED THAT, AFTER THE PUBLIC AUCTION, YOUR BOARD:

1. Approve the sale of the County's right, title and interest to the successful bidder and instruct the Chair to approve and execute, upon presentation, the Quitclaim Deed, which will have been approved as to form by County Counsel.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

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2. Instruct the Auditor-Controller to deposit the sale proceeds into the Asset Development Implementation Fund as directed by the Chief Administrative Officer (CAO).
3. Authorize the CAO to execute all necessary documents, including a purchase and sale agreement to complete the sales transaction, upon approval of the documents by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to re-offer at public auction County-owned real property considered surplus to the present and future needs of the County. The property had previously served as a health center operated by the Department of Health Services (DHS), commonly known as the Compton Health Center, which is located at 300 Rosecrans Avenue, Compton. This health center was closed and the services provided transferred to remaining County clinics in response to the recent restructuring of outpatient services within DHS. Upon vacation of the property, the County has considered other backfill opportunities for this building, but has not identified another tenant department that would be suitable for this building or this location.

As a result, the subject property is considered surplus to the County's needs. The sale of this property will provide the County funds that can be better allocated for the rehabilitation, purchase or construction of other County facilities.

On September 23, 2003, your Board conducted an auction of the subject property at which time Harvard Properties LLC (HP) was the prevailing bidder with an offer of \$1,425,000. Under the terms of the Purchase and Sale Agreement executed by HP, the closing of escrow was to have taken place within 90 days. However, due to their inability to obtain financing, HP has advised this office that they are unable to complete the purchase of the property. HP did not complete the sale within the prescribed time frame and has therefore forfeited the \$25,000 deposit tendered at the time of the auction and the process must start all over with the necessity to find the property surplus and conduct another auction.

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IMPLEMENTATION OF STRATEGIC PLAN GOALS

The County of Los Angeles Strategic Plan directs that we strengthen the County's fiscal capacity (Goal 4). The sale of this property to the highest bidder will provide funds that can be used to finance improvements as part of the plan to preserve and protect the County's critical infrastructure (Strategy 2).

FISCAL IMPACT/FINANCING

It has been determined by CAO staff appraisal that the fair market value of the 300 Rosecrans Avenue property ranges from \$465,000 to \$770,000. Setting a minimum bid at the bottom end of the indicated range will generate the maximum amount of interest in the real estate community and should result in the respective property being sold near or in excess of the top end of the value range. This approach was implemented successfully in the prior auction with several bidders indicating a willingness to pay in excess of \$1,000,000 for the property, though there is no guarantee that the prior high bid can be achieved again. The property will be sold for all cash. A \$25,000 deposit in cash or cashier's check will be required at the conclusion of the auction with the remaining balance due within 90 days.

Proceeds from the sale will be deposited into the Asset Development Implementation Fund.

The \$25,000 deposit forfeited by HP will be retained by Rent Expense and used to reimburse costs such as advertising and labor expended to process the prior auction.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The property consists of approximately 38,260 square feet of land which is improved with a 13,996 square foot single-story building and a surface parking lot for 34 cars. This property had been used as a health clinic for years and is improved with extensive plumbing systems, numerous exam rooms and large waiting areas.

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The appraised values reflect the functional obsolescence of some of the County improvements and the lack of sufficient parking to satisfy City requirements.

The offer of the property by public auction is authorized by Sections 25520 to 25538, inclusive, of the California Government Code which authorizes the sale of real property. Notification of your Board's intended action will be published in compliance with Government Code Section 6063. Pursuant to Government Code Sections 65402 and 54222, the appropriate government agencies were notified of the County's intent to sell the respective properties and none of the notified agencies has indicated any interest in purchasing the properties or any objections to their sale.

The prior high bidder, HP has withdrawn their offer to purchase, the County has retained the \$25,000 deposit and lawfully terminated the sale.

In accordance with your Board's policy, a restriction has been placed upon the deed reserving the mineral rights upon each property to the County.

County Counsel has reviewed all documents related to the conveyance and has approved them as to form.

ENVIRONMENTAL DOCUMENTATION

The recommended action is categorically exempt under Class 12 of the State CEQA Guidelines and the revised Environmental Document Reporting Procedures and Guidelines adopted by your Board.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

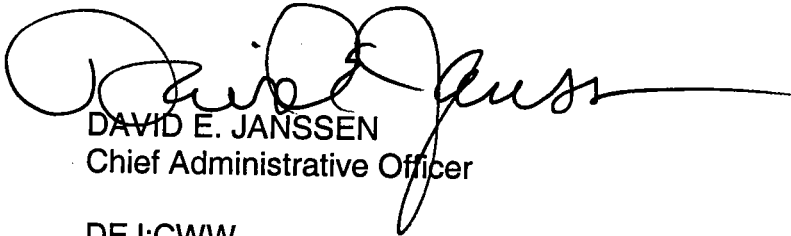
Inasmuch as the building has been vacant for some time, the sale of this property will have no impact on current County services.

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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return an original copy of the executed Notice of Intention, and two certified copies of the Minute Order, and the adopted, stamped Board letter to the CAO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN
Chief Administrative Officer

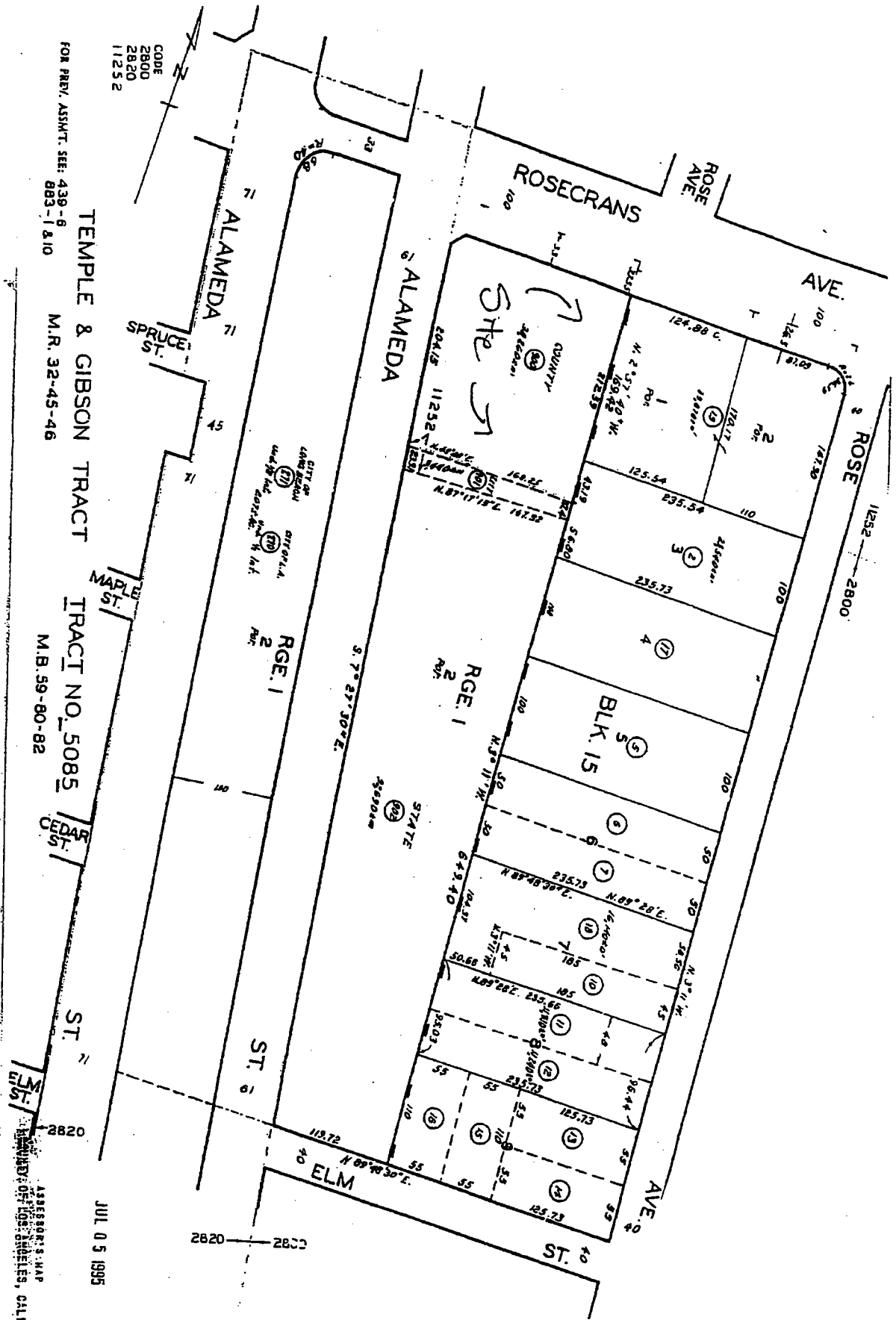
DEJ:CWW
CB:CK:cc

Attachments (2)

c: County Counsel
Auditor-Controller
Department of Health Services

ATTACHMENT A

300 ROSECRANS AVENUE, COMPTON
PARCEL MAP



300 Rosecrans Avenue, Compton

ATTACHMENT B

300 ROSECRANS AVENUE, COMPTON
RESOLUTION AND NOTICE OF INTENT TO SELL

**RESOLUTION AND NOTICE OF INTENTION TO SELL
COUNTY SURPLUS REAL PROPERTY
AT PUBLIC AUCTION**

300 ROSECRANS AVENUE, COMPTON

WHEREAS, the Board of Supervisors of the County of Los Angeles, State of California ("Board of Supervisors"), has found and determined that the County-owned real property hereinafter described is not required to public use;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors, as follows:

1. That it is the intention of said Board of Supervisors, on the _____ day of _____, 2004 at 9:30 A.M., in the Hearing Room of the Board of Supervisors,

Room 381 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012, to sell at public auction, that County-owned surplus real property located at 300 Rosecrans Avenue, City of Compton which is located in the County of Los Angeles, and legally described in Exhibit "A" attached hereto and incorporated herein by reference and made a part hereof as though set forth in full.

2. The Rosecrans property consists of approximately 38,260 square feet of land improved with a 13,996 square foot single story building and a surface parking lot for 34 cars. The property is zoned C-L (City of Compton, limited commercial). The County has been advised that the existing parking is not sufficient to meet the City requirements of 1 space per each 250 square feet of building area.

6. At the time of the auction, sealed bids will be opened and oral bids will be heard provided that the first oral bid exceeds by at least five percent (5%) the amount of the highest sealed bid. Should two or more sealed bids be identical as to highest bid amounts, priority shall be established as to the bid received first in accordance with Paragraph No. 5 above. When bidding on the property, a bidder will be required to identify himself and state clearly the amount of the bid. It is the intention of this paragraph that the following bid requirements and/or conditions set forth herein shall apply to sealed bids and oral bids alike.

7. The successful bidder will be required at the close of the auction to pay the full amount of the successful bid with TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) in cash or cashier's check, and execute a Purchase Agreement. The Purchase Agreement must be executed without modification.

8. Purchaser must also sign any and all documents and pay whatever fees are required following the auction. Said fees shall include the deed recording fees and Documentary Transfer Tax. County shall obtain the recordation of the deed and transmit Purchaser's check for said fee to the County Recorder on behalf of Purchaser.

9. Purchaser must furnish title vesting in writing to the County no later than five (5) working days following the auction. If more than one signature is required on any document, the same period of time will be allowed for Purchaser to obtain the signature(s).

10. No warranty or representation is made by the County with respect to location, size and zone of the property. Such data is set forth for information only and shall not be deemed to be part of the legal description by which the property will be offered for sale or sold. The property will be sold by quitclaim deed using the legal description contained in Exhibit "A". County will not provide a policy of title insurance.

11. The property is offered for sale and will be sold in its "as is" condition, without any warranty, express or implied or representation by County as to its physical condition or suitability for use, including but not limited to, the condition of the soils or ground water on or under the property, and the presence of pollutants or contaminants therein.

12. Sale of the property shall reserve and except there from unto the County of Los Angeles, all oil, gas, hydrocarbons, or other minerals in and under the described property without the right to the use of the surface and subsurface to a depth of 500 feet, measured vertically, from the surface of the real property.

13. Copies of the title report and map showing the location and size of the property are available for inspection in the office of Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012.

14. If Purchaser fails to abide by the terms and conditions as set forth above, said sale, at the option of the County, may be rescinded and all or part of the Twenty Five Thousand Dollars (\$25,000.00) down payment may be held by the County to offset any damages, costs or expenses which may accrue to the County by reason of said Purchaser's failure to comply.

The foregoing Resolution was on the _____ day of _____, 2004 adopted by the Board of Supervisors of the County of Los Angeles, and ex-officio the governing body of all other special assessment and taxing districts for which said Board so acts.

VIOLET VARONA-LUKENS
Executive Officer, Board of Supervisors

By _____

APPROVED AS TO FORM:
LLOYD W. PELLMAN
County Counsel

By 
Deputy County Counsel

Resolution

ADDRESS

Legal Description

300 Rosecrans Boulevard, Compton

THAT PORTION OF TRACT NO. 5085 OF THE TEMPLE & GIBSON TRACT AS SHOWN ON A MAP FILED IN BOOK 59 PAGES 80 THROUGH 82 OF MAPS, IN THE OFFICE OF THE REGISTRAR-RECORDED OF THE COUNTY OF LOS ANGELES, CONSISTING OF THE NORTHERLY PORTION OF LOT 2 OF SAID TRACT WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE MOST SOUTH WESTERLY CORNER OF LOT 2 FOR A DISTANCE NORTHERLY 58.60 FEET TO THE POINT OF BEGINNING THENCE WEST $89^{\circ}28'$ NORTH ALONG SAID PARALLEL LINE 169.25 FEET; THENCE NORTH 204.15 FEET; THENCE EAST 175 FEET; THENCE SOUTH 212.59 FEET TO THE POINT OF BEGINNING, CONSISTING OF 38,260 SQUARE FEET MORE OR LESS.